

FREE SETUP GUIDE

Set Up **Xero** the Right Way

A step-by-step setup guide for Canadian small businesses
— from first login to your first clean month-end.

Stellar Bookkeeping Services

QuickBooks Online ProAdvisor · Xero Certified · Wagepoint Certified Partner · Based in Stellarton, Nova Scotia

Have these ready

Xero is simple to start with, but a careful setup makes month-end and tax time much easier.

- ☐ Your legal business name and operating name
- ☐ Your Business Number (BN) and GST/HST number, if registered
- ☐ Your fiscal year-end date and your HST filing frequency
- ☐ Online banking logins for your business bank and credit cards
- ☐ A list of your main customers, suppliers and what you sell
- ☐ Opening balances as of your start date (bank, unpaid invoices, unpaid bills)

Pick a conversion date. This is the day you start using Xero. Most businesses choose the first day of their fiscal year or of a quarter. Everything before it becomes an opening balance.

Organization, accounts and tax

1. Complete your organization settings

In **Settings** → **Organization details**, add your legal and trading names, address and BN. In **Financial settings**, set your **financial year end** and your GST/HST details, including your filing period.

2. Review your chart of accounts

Go to **Accounting** → **Chart of accounts**. Xero gives you a starter list.

- Rename accounts to fit your business
- Add the accounts you need and archive the ones you won't use
- Check the default tax rate on each account

3. Check your tax rates

Xero comes with Canadian GST/HST rates already set up and updates them automatically. Go to **Accounting** → **Advanced** → **Tax rates** and confirm the **Nova Scotia HST (14%)** rate is available for sales and purchases.

Tip: Set a default tax rate on each contact and inventory item, so the right HST is picked automatically.

Banks, contacts and invoices

4. Connect bank feeds

Under **Accounting** → **Bank accounts** → **Add bank account**, add each business bank account and credit card and set up its bank feed so transactions come in daily.

5. Add contacts

Import your customers and suppliers from a spreadsheet or add them one by one. Set default accounts and tax rates for regular suppliers.

6. Add products and services

Under **Business** → **Products and services**, add what you sell with a price, sales account and tax rate.

7. Brand your invoices

In **Invoice settings**, add your logo, payment terms and your **GST/HST number**. Turn on online payments so customers can pay by card.

Opening balances and your first month

8. Enter conversion balances

Go to **Settings** → **Conversion balances**. Enter your conversion date and the balances of your accounts on that date. Add any unpaid invoices and bills so customers and suppliers show the right amounts owing.

9. Create bank rules

For transactions that repeat, create **bank rules** so Xero suggests the right account and tax rate every time.

10. Do your first month-end

- ☐ Reconcile every bank and credit card feed for the month
- ☐ Check the bank statement balance matches Xero's statement balance
- ☐ Review your Profit and Loss and Balance Sheet

Common mistakes to avoid

- Reconciling by “OK-ing” matches without checking them
- Wrong tax rate on a contact, repeated on every bill
- Skipping conversion balances, so the Balance Sheet never matches the bank

NEXT STEP

Want it set up for you?

Stellar is Xero Certified and can set up Xero for your business, move you over from another system, or clean up an existing file.

Book a free 30-minute consultation — no obligation, just clarity on what you need.

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Services available in English and Spanish.

This guide is general information. QuickBooks Online and Xero update their menus and features often, so names and paths may differ slightly in your account. Information current as of October 2026.